

Chapter 28.89

TENANT DISPLACEMENT ASSISTANCE ORDINANCE

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28.89.010 Definitions.

Except where the context or particular provisions require otherwise, the following definitions shall govern the construction of this Chapter.

A. **Application.** Any application required to be submitted to the City of Santa Barbara for discretionary or ministerial approval of a land use change or improvement of real property that will result in a displacement of a resident household.

B. **Displacement.** The vacating of a rental unit by a resident household upon notice from the property owner as the result of or to enable any of the following: 1. the demolition of any rental unit on the lot, 2. the alteration of any structure on the lot in a manner that requires a permit from the City and which reduces the number of rental units on the lot, 3. the conversion of a single residential unit to a condominium unit, or 4. a change of use of real property from a residential use to a nonresidential use that requires a permit from the City. For purposes of this Chapter, a displacement does not include a vacation of a rental unit as the result of the following: 1. a condominium conversion regulated and processed pursuant to Chapter 28.88 of this Code, 2. a conversion of any portion of a mobilehome park or a permanent recreational vehicle park regulated and processed pursuant to Chapter 28.78 of this Code, 3. a property owner's compliance with an enforcement order of the City Building Official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code section 17980.7 or any other state or federal law, or 4. a vacation of a rental unit resulting from the damage or destruction of the unit which is caused by a natural disaster.

C. **Eligible Resident Household.** A resident household occupying a rental unit at the time an application is filed with the City. There shall be a rebuttable presumption that any resident household which received a notice to quit pursuant to Section 1946 of the Civil Code within the six (6) month period preceding the filing of an application is an eligible resident household for purposes of receiving displacement assistance pursuant to this Chapter. The presumption specified in the preceding sentence shall not apply where the property owner provides evidence of either of the following: 1. the resident household's occupancy ended due to the expiration of a term lease and the tenancy was not extended by the operation of Section 1945 of the Civil Code, or 2. the resident household was found to have committed an unlawful detainer pursuant to Subdivisions 2, 3, 4 or 5 of Section 1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction.

D. **Immediate Family.** Immediate family includes a spouse, registered domestic partner, children, parents, and the spouses or registered domestic partners of children of a property owner.

E. **Median Advertised Rental Rate.** An estimate of rental rates for residential rental units within the City prepared annually by the staff of the Community Development Department. For the purposes of this Chapter, the median advertised rental rate shall be calculated annually based on the median of a representative sample of rental units advertised in a newspaper of general circulation for one Sunday during the month of April. The median advertised rental rate shall be published by the City each May 1 and shall remain in effect for the next twelve (12) months or until a new median advertised rental rate is provided by the City. The median advertised rental rate shall be calculated and published for the following categories of rental units: 1. studio units (no bedrooms), 2. one bedroom units, 3. two bedroom units, and 4. units with three or more bedrooms. As used in this Chapter, the applicable median advertised rental rate shall be determined based on the number of bedrooms in the rental unit to be vacated by the residential household. The methodology for calculating the median advertised rental rate shall be approved by the Community Development Director and described in detail in the City's Affordable Housing Policies and Procedures.

F. **Rental Unit.** A structure (or part thereof) used as a place of permanent or customary and usual abode of a resident household. A rental unit shall not include a room or any other portion of any residential unit which is occupied by the property owner or a member of the property owner's immediate family.

G. **Resident Household.** Any person or group of persons entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) including all persons who are considered residents under the Civil Code, but not including the owner of the rental unit or members of the owner's immediate family.

H. **Special Needs Resident Household.** An eligible resident household with any of the following characteristics: 1. at least one member who is 62 years of age or older, 2. at least one member qualifies as a disabled person pursuant to section 295.5 of the Vehicle Code, or 3. the household qualifies as a low income household pursuant to the City's Affordable Housing Policies and Procedures. (Ord. 5401, 2006.)

28.89.020 Submittal Requirements.

A. **Notice of Intent.** At least sixty (60) days prior to filing an application, either the property owner or the owner's agent shall notify each resident household residing on the subject real property of the owner's intent to file an application. The notice shall be provided by either: 1. personal delivery, or 2. certified mail, postage prepaid, with return receipt requested. Evidence of compliance with this section must be submitted to the City in order for the application to be deemed complete. The form of the notice shall be approved by the Community Development Department and shall contain at least the following information:

1. The name and address of current owner;
2. The name and address of the proposed applicant;
3. The approximate date on which the application is to be filed;
4. The resident's right to purchase a resulting residential unit, if applicable;
5. The resident's right of notice before being required to vacate the rental unit;
6. The resident's right to terminate lease without obligation for future rent;
7. A statement regarding the applicable limitations on rent increases;
8. An explanation of displacement assistance available for eligible resident households and special needs resident households under this Chapter (i.e., monetary assistance, relocation counseling, contact information for the Rental Housing Mediation Task Force, qualifications for Special Needs Resident Households, etc.);
9. The resident household's right to receive written notice for each hearing and right to appear and be heard at land use hearings, if applicable; and
10. Other information as may be deemed necessary or desirable by the Community Development Department.

B. **Resident Information.** Concurrent with the filing of the application, either the property owner or the owner's agent shall provide the Community Development Department with all of the following information for each rental unit that will be subject to a displacement as a result of the application:

1. The name of every member of the resident household who is a signatory on a written lease or the name of every person the property owner considers to be a resident under an oral lease; and
2. The names of all members of resident households that were issued a notice to vacate within the six (6) months preceding the filing of the application. (Ord. 5401, 2006.)

28.89.030 Displacement Assistance.

A. **Monetary Assistance.** As a condition of the City approval of any application that will result in a displacement, the property owner is obligated to pay to each eligible resident household monetary displacement assistance in an amount equal to four (4) times the median advertised rental rate or \$5,000, whichever is greater. The displacement assistance to be paid to an eligible special needs resident household shall be equal to five (5) times the median advertised rental rate or \$6,000, whichever is greater.

The displacement assistance shall be calculated on a "per rental unit" basis and shall be paid jointly, in one lump sum, to all members of the eligible resident household occupying the rental unit.

B. **Waiver of Assistance.** The payment of the monetary displacement assistance required pursuant to subsection A above, or the right of first refusal provided for in Section 28.89.050, may be waived or otherwise altered by mutual written agreement of the property owner and all members of the eligible resident household; provided, the waiver is executed after the members of the resident household have received notice of the application and notice of the provisions of this Chapter pursuant to Section 28.89.020. (Ord. 5401, 2006.)

28.89.040 Certification of Displacement Assistance.

Prior to any displacement or the issuance of any permit pursuant to the application, whichever occurs first, the property owner shall provide the Community Development Director with either: 1. a copy of a cancelled check evidencing payment of the displacement assistance required by this Chapter to the members of the eligible resident household or 2. a copy of a written waiver or modification of the displacement assistance obligation executed by the property owner and all of the members of the eligible resident household. In order to satisfy the requirements of this Section 28.89.040, the written waiver must be executed after the members of the resident household have received notice of the application and the provisions of this Chapter pursuant to Section 28.89.020. (Ord. 5401, 2006.)

28.89.050 Protections for Resident Households.

A. **Right to Purchase (Right of First Refusal).** The members of any eligible resident household or eligible special needs resident household shall be given an exclusive right to contract for the purchase of a residential unit within any resulting development upon the same terms and conditions that the residential unit will be initially offered to the general public or on terms more favorable to the members of the eligible resident household or eligible special needs resident household. The exclusive right to contract shall be valid for at least ninety (90) days from the date of issuance of a Subdivision Public Report or the commencement of sales, whichever date is later. The manner in which any exclusive right to contract shall be exercised shall be in accordance with administrative rules established by the Community Development Department in the City's affordable housing policies and procedures. This Subsection shall not apply to applications for conversions of rental units to hotels or similar commercial uses.

B. **Right to Terminate Lease.** After receipt of the notice required pursuant to subsection 28.89.020.A and until the applicant's withdrawal of the application or the displacement of the resident household, the resident household shall have the right to terminate the lease or rental agreement without obligation for any rent that would accrue under the lease or rental agreement after the vacation of the residential unit by the resident household. An eligible resident household's election to terminate the lease and relinquish possession of the rental unit following receipt of the notice required pursuant to subsection 28.89.020.A shall not constitute a waiver of the eligible resident household's right to assistance pursuant to subsection 28.89.030.A.

C. **Notice to New Residents.** Any prospective resident household that applies for residency after an application has been filed shall be notified in writing of the pending application and the potential for displacement prior to occupying any rental unit. The form of this notice shall be approved by the Community Development Department. The failure of the property owner or applicant to give notice in accordance with this subsection shall not be a ground to deny the proposed land use action; however, the property owner shall pay monetary displacement assistance in the manner specified in Section 28.89.030 to each resident household that was entitled to notice pursuant to this subsection and who did not receive such notice. (Ord. 5401, 2006.)